

TORONTO STOCK EXCHANGE

NOV 26 1952

LISTING STATEMENT**JONSMITH MINES LIMITED**

Incorporated under the Ontario Companies Act by Letters Patent dated January 21, 1947.

1. Address of the Company's Head Office and of any other offices:

Head Office: Room 906, 357 Bay Street, Toronto, Ontario.

2. Officers of the Company:

OFFICE HELD	NAME	ADDRESS	OCCUPATION
President	E. C. MacLeod	85 Lawrence Crescent, Toronto, Ontario	Mining Executive
Vice-President	J. M. Macintosh, Q.C.	48 Rosedale Road, Toronto, Ontario	Solicitor
Sec.-Treasurer	A. B. Whitelaw	357 Bay Street, Toronto, Ontario	Solicitor
Assist. Sec.-Treas.	R. L. McDonell	212 MacPherson Avenue, Toronto, Ontario	Accountant

3. Directors of the Company:

NAME	ADDRESS	OCCUPATION
E. C. MacLeod	85 Lawrence Crescent, Toronto, Ontario	Mining Executive
F. G. MacLeod	83 Alexandra Boulevard, Toronto, Ontario	Mining Executive
J. M. Macintosh, Q.C.	48 Rosedale Road, Toronto, Ontario	Solicitor
A. B. Whitelaw	357 Bay Street, Toronto, Ontario	Solicitor
W. T. Green	50 Elm Street East, Sudbury, Ontario	Merchant
J. R. Stratton	24 King Street West, Toronto, Ontario	Broker
C. S. Darrach	166 Simcoe Street, Sudbury, Ontario	Metallurgist

4. Names and addresses of all transfer agents:

Guaranty Trust Company of Canada, 70 Richmond Street West, Toronto 1, Ontario.

5. Particulars of any fee charged upon transfer other than customary government taxes:

A fee of 25c is charged for each new certificate issued.

6. Names and addresses of all registrars:

Guaranty Trust Company of Canada, 70 Richmond Street West, Toronto 1, Ontario.

7. Amount of authorized capital: 3,500,000 shares—\$3,500,000.00.

8. Number of shares and par value: 3,500,000 shares of no par value.

9. Full details of all shares issued in payment for properties or for any other assets other than cash:

Date	No. of Shares	Consideration
March 3, 1947.....	1,166,666	13 unpatented mining claims in the Township of Parkin in the District of Sudbury—S42315-16-17-18-19-20-21; S42676-77; S39838-39; S43949-50; and 4 unpatented mining claims—S48291, S48891-92-93; and 10 patented claims—parcels 5069-70-71-72-73-74-75-76 and parcels 4954 and 5149, all in the Township of Parkin.
May 30, 1951.....	15,000	Parcels 223 and 224 in the Township of Parkin.
Total.....	1,181,666	

This listing statement is a copy of the listing application made by the applicant company. The Exchange has received no consideration in connection with the issue of this listing statement other than the customary listing fee. The papers and exhibits submitted by the applicant company in support of the listing application are open for inspection at the general office of the Exchange.

10. Full details of all shares sold for cash.

Date	No. of Shares	Price per share	Amount realized by Company
January 21, 1947	5	20c	\$ 1.00
November 26, 1947	24,300	25c	6,075.00
May 15, 1948	2,000	25c	500.00
May 19, 1948	9,000	25c	2,250.00
May 22, 1948	2,700	25c	675.00
June 4, 1948	1,000	25c	250.00
June 11, 1948	1,300	25c	325.00
June 12, 1948	1,200	25c	300.00
June 21, 1948	500	25c	125.00
November 6, 1948	2,500	26.2c	655.00
January 13, 1951	93,260	10c	9,326.72
February 1, 1951	400,000	10c	40,000.00
April 10, 1951	200,000	15c	30,000.00
April 10, 1951	200,000	20c	40,000.00
Total.....	937,765		\$130,482.72

11. Total number of shares issued.

2,119,431.

12. Number of shares now in treasury or otherwise unissued.

1,380,569.

13. Particulars of any issued shares held in trust for the Company or donated for treasury purposes.

Nil.

14. Date of last annual meeting.

October 3, 1952.

15. Date of last report to shareholders.

September 15, 1952.

16. Details of any treasury shares (or shares issued subject to payment or shares held for the benefit of the treasury) now under option or the subject of any underwriting or sales agreement. If none, this to be stated.

(a) By agreement in writing made on the 2nd day of January, 1951, and amended by agreement in writing made on the 12th day of September, 1952, Dunvegan Mines Limited (No Personal Liability) underwrote 300,000 shares at 10c per share and was granted an option on all or any part of 1,500,000 shares at prices ranging from 10c to \$1.00. The underwritten shares and 500,000 optioned shares as set out in item 10 above have been taken up and the balance of the option remaining outstanding is as follows:

200,000 shares at 25c a share until January 20, 1954;
200,000 shares at 30c a share until May 20, 1954;
200,000 shares at 50c a share until August 20, 1954;
200,000 shares at 75c a share until November 20, 1954;
200,000 shares at \$1.00 a share until February 20, 1955.

(b) By agreement in writing made on the 20th of November, 1951, the Company granted to Moneta Porcupine Mines Limited options in respect of 228,000 treasury shares as follows:

60,000 shares at 25c a share until May 20, 1954;
60,000 shares at 30c a share until August 20, 1954;
60,000 shares at 50c a share until November 20, 1954;
48,000 shares at 75c a share until February 20, 1955.

(c) By the said agreement in writing made on the 20th of November, 1951, the Company also granted to Berens River Mines Limited the right to purchase all or any part of 152,000 shares of the capital stock of Jonsmith as follows:

40,000 shares at 25c a share until May 20, 1954;
40,000 shares at 30c a share until August 20, 1954;
40,000 shares at 50c a share until November 20, 1954;
32,000 shares at 75c a share until February 20, 1955.

17. Details of any shares pooled, deposited in escrow, non-transferable or held under any syndicate agreement or control.

250,000 shares, part of the stock issued in payment for properties as set out in item 9 hereof are held in escrow by the Guaranty Trust Company of Canada at Toronto subject to release upon the consent of the Ontario Securities Commission.

18. Details of any registration with or approval or authority for sale granted by or any filing with a Securities Commission or corresponding Government body.

On the 29th of March, 1951, the Ontario Securities Commission accepted for filing the material required under Section 38 of the Securities Act (Ontario) in order to offer its shares through the medium of registered Security Dealers in Ontario.

19. Has any application for registration with or approval or authority for sale by or any filing with a Securities Commission or corresponding Government body ever been refused, cancelled or revoked? If so, give particulars.

No.

20. Particulars of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.

Nil.

21. Enumerate fully, giving claim or property numbers, approximate acreage, townships and mining camp or oil field:

- (a) Properties owned where titles vested in Company.
- (b) Properties leased.
- (c) Properties otherwise held.

Give particulars of title held by the Company in each instance, (e.g. patented, unpatented, Crown granted, held under mining license, perpetual lease, etc.)

22. Full particulars of any royalties or other charges payable upon production from each individual property.

Nil.

23. Are any lawsuits pending against the Company or any of its properties, or are there any other circumstances which might affect the Company's position or title adversely? If so, explain fully.

No.

24. Describe plant and equipment on property.

A complete mining plant has been installed on the property by Milnet Mines Limited, for full details of which see report of L. G. Phelan on page 5.

25. Describe development accomplished and planned.

On the 14th of August, 1951, the Company granted to Moneta Porcupine Mines Limited an option to examine its properties and as a result of such examination an agreement was made on the 20th of November, 1951, between the Company Moneta Porcupine, Berens River Mines Limited, and Milnet Mines Limited. Milnet Mines Limited is a company incorporated under the laws of the Province of Ontario, having an authorized capital divided into 40,000 shares without nominal or par value. The said agreement provides that a block of land, 1,000 feet by 500 feet by 500 feet deep, being part of mining claims S42316 and S42677 in the Township of Parkin, be conveyed to Milnet. As consideration for the said transfer, Milnet agreed to issue to Jonsmith 9,999 shares of its capital stock. Milnet also issued to Moneta Porcupine 17,998 shares and 11,998 shares to Berens River. The agreement provides that Moneta and Berens River shall advance to Milnet all monies necessary to sink a shaft to a depth of approximately 500 feet on the property conveyed to Milnet and to erect a complete mining and milling plant thereon. Milnet is to extract the ore from the land conveyed to it and out of the monies received from the sale of same (a) to repay Moneta and Berens River for monies advanced; (b) to pay interest thereon to Moneta and Berens River; and (c) to pay all additional profits in dividends to the three companies (Jonsmith, Moneta, and Berens River).

Milnet further agreed to carry out additional work on the mining property for Jonsmith at its request including the continuation of the shaft to a vertical depth of approximately 1,000 feet to be paid for by Jonsmith at the actual cost price of same to Milnet.

If Milnet decides to abandon mining and development operations on the property, it must give notice to Jonsmith and Jonsmith shall have the right within six months to repurchase the mining property for \$1.00 and the buildings, plant, machinery and equipment at the installed cost less depreciation.

Jonsmith also granted to Moneta an option on 228,000 treasury shares as set out in item 16(b) on page 2 and granted to Berens River an option on 152,000 treasury shares as set out in item 16(c) on page 2.

This agreement is now being carried out and development work on the said property is described in the report of L. G. Phelan on page 5.

26. Date and author of mining engineer's or petroleum geologist's report filed with this application and available for inspection on request.

Report of L. G. Phelan dated November 11th, 1952.

27. Full particulars of production to date.	Nil.
28. Have any dividends been paid? If so, give dates, per share rate, and amount paid in dollars on each distribution.	No.
29. Name and address of the solicitor or attorney whose certificate as to titles and to the fact that there are no encumbrances or tax arrears has been filed with the Exchange.	Macdonald & Macintosh, 357 Bay Street, Toronto 1, Ontario.
30. Name and address of the solicitor or attorney whose certificate that the applicant is a valid and subsisting company and that the shares which have been allotted and issued were legally created and are fully paid and non-assessable has been filed with the Exchange.	Macdonald & Macintosh, 357 Bay Street, Toronto 1, Ontario.
31. Has the listing of any shares of the Company ever been refused or deferred on any stock exchange? If so, give particulars.	No.
32. (a) Have any shares of the Company ever been listed on any other stock exchange? If so, give particulars. (b) Is any application for listing the shares of the Company on any other stock exchange now pending or contemplated? If so, give particulars.	No. No.
33. Particulars of the principal business in which each director has been engaged during the past five years, giving the length of time, position held and name of employing company or firm.	<p>EDMOND CHARLES MACLEOD—Mining Executive, self-employed as a prospector and mining executive in connection with various companies, including Dunvegan Mines Limited (No Personal Liability) and Palomar Gold Mines Limited (No Personal Liability).</p> <p>JOHN MAITLAND MACINTOSH—Barrister and Solicitor, partner in the firm of Macdonald & Macintosh.</p> <p>ARCHIBALD BURNSIDE WHITELAW—Solicitor, partner in the firm of Macdonald & Macintosh.</p> <p>J. REGINALD STRATTON—Stock Broker, employed by Scarlett, McFetrick & Co., and previously with J. R. Stratton & Co., stock brokers.</p> <p>FREDERICK GLADWELL MACLEOD—Mining Executive, self-employed as a prospector and mining executive in connection with various companies; president of MacLeod-Cockshutt Gold Mines Limited (No Personal Liability).</p> <p>COLIN STANLEY DARRACH—Metallurgist with International Nickel Company of Canada Limited.</p> <p>WILFRID T. GREEN—Merchant Owner and Manager in Sudbury, Ontario.</p>

Dated at Toronto the 31st day of October, 1952.



JONSMITH MINES LIMITED
"F. G. MACLEOD," *Director*
"A. B. WHITELAW," *Secr.-Treas.*

**STATEMENT SHOWING NUMBER OF SHAREHOLDERS
as of October 17, 1952**

<i>Number</i>	<i>Shares</i>
21 Holders of 1 – 100 shares.....	1,902
104 " 101 – 1000 "	80,050
36 " 1001 – 2000 "	65,650
12 " 2001 – 3000 "	32,400
7 " 3001 – 4000 "	25,778
12 " 4001 – 5000 "	58,252
58 " 5001 – up "	1,855,399
250 Stockholders	Total shares..... 2,119,431

GEOLOGIST'S REPORT

Location, Access and Extent

The property of Jonsmith Mines Limited is located in Parkin Township, Sudbury Mining District, Ontario. The property is three miles east of Milnet and ten miles northeast of Capreol. The main line of the Canadian National Railway passes three to four miles to the west of the property. A highway and power line have been constructed from Capreol to Jonsmith Mines.

The property consists of twenty-nine claims, approximately 1,160 acres, designated as follows: Claim Nos. S48891, 48892, 48893, 5422, 5423, 5424, 39838, 39839, 43949, 48291, 43950, 5265, 42676, 42315, 42316, 42317, 42318, 42319, 42320, 42321, 42677, 5480, 5481, 5362, 5363, 5364, 5740, 26530 and 26531.

Exploration and Development

Exploration work was commenced in early 1951. Geological, magnetometer and electrical conductivity surveys have been carried out on the property, and approximately 20,000 feet of diamond drilling have been completed. The present operators, Milnet Mines Limited, have installed a mining plant and completed a three-compartment shaft to a depth of 477 feet. Two levels have been established at 190 and 370 feet.

General Geology

The bedrock underlying the Jonsmith property consists of basic Keewatin volcanics overlain to the east by conglomerates, quartzites, limestones and chert sediments of Cobalt age, all with a general north-northwest strike. These are intruded by an amphibolite sill and two ages of diorite dikes. The younger diorite is the type known locally as an "offset dike".

Economic Geology

The nickel-copper orebodies of the Sudbury camp are invariably associated with a characteristic quartz-diorite intrusive rock and are found either in this diorite or in fracture zones in its immediate vicinity. The offset dike found on the Jonsmith property is of this characteristic composition.

The dike strikes in a northeasterly direction, varies in width from 100 to 300 feet, and has been traced for a length of 5,000 feet across the property. The dike carries varying amounts of nickel, copper and precious metals. Copper-nickel mineralization is present throughout the length of the dike and two orebodies of economic importance have been found to date. Much of the balance of the dike has only been explored in a cursory manner.

The orebodies are found in rolls in the footwall side of the offset dike in zones of brecciation. The number one orebody has been outlined for a length of 240 feet and appears to bottom at 300 foot depth. The number two orebody is 90 feet long. Ore has been found at 360 foot depth, the deepest hole put down to date on this occurrence.

The following grades and tonnage estimates are based on diamond drill intersections and have been calculated by E. F. Creelman, Consulting Geologist, and E. O. Lilge, formerly Resident Engineer, for Jonsmith Mines:

No. 1 OREBODY.—175,000 tons averaging 2.1% copper, 1.3% nickel, 0.15 ozs. per ton platinum, and 0.11 ozs. per ton palladium.

At present metal prices this ore has a gross value of \$43.25 per ton.

No. 2 OREBODY.—35,000 tons averaging 1.35% copper and 1.30% nickel, with a gross value of \$22.37 per ton. Insufficient platinum and palladium assays have been made to arrive at an average precious metal content for this orebody.

The greater part of the offset dike has not been thoroughly explored, and there is good reason to expect that the favourable combination of geological conditions that exist at the site of the Numbers 1 and 2 orebodies prevails elsewhere, either vertically or horizontally along the dike. Consequently, further similar orebodies are likely to be found on the property.

Milnet Mines Limited

Milnet Mines Limited is a company formed specifically to acquire and develop the block of ground containing the two orebodies described above. This block of ground is 1,000 feet by 500 feet and extends to a vertical depth of 500 feet. All ore found on the property below a depth of 500 feet, or outside the boundaries of the block of ground being worked by Milnet, belongs to Jonsmith Mines Limited.

Jonsmith Mines Limited will receive 25% of the profits won from the mining of the two orebodies now under development by Milnet Mines.

Milnet Mines Limited has concluded a financial arrangement with the United States Defence Materials Procurement Agency whereby the latter provide financial assistance to Milnet through an advance of \$440,000, repayable, with interest, from the sale of metals produced and sold. The total cost of the project is estimated at \$950,000.

Purchase Contracts

The United States Defence Materials Procurement Agency guarantees to purchase metals contained in ores shipped from the Milnet operation to the Falconbridge Smelter. Base prices are to be: nickel, 56.66 cents per lb.; platinum, \$93.00 per oz.; palladium, \$21.50 per oz. All the above are f.o.b. Kristiansand, Norway.

A floor price of 27.5 cents per lb. is guaranteed for the copper.

It is expected that the first shipment of development rock will be sent to the Falconbridge Smelter before the end of the year.

This report is respectfully submitted.

KING, COONS, PHELAN & PORTER,
"L. G. PHELAN", M.A.Sc., P.Eng.
Consulting Geologist.

Dated at Toronto, 11 November, 1952.

CERTIFICATE

I, Leo Gerard Phelan, of the City of Toronto, in the County of York and Province of Ontario, hereby certify as follows:

1. I am a practicing consulting geologist, a partner in the firm of King, Coons, Phelan & Porter, with offices at 8 Bedford Road, Toronto, Ontario.
2. I am a graduate of the University of Toronto, hold the degree of Master of Applied Science, and am a member of the Association of Professional Engineers of the Province of Ontario.
3. I have no interest, direct or indirect, in the property or the securities of Jonsmith Mines Limited or of Milnet Mines Limited, nor do I expect to receive any interest, direct or indirect, in the property or securities of these companies.
4. I have not been upon the property to which the report relates. The information contained in the report is derived from personal knowledge of the Sudbury area, from Ontario Department of Mines and Geological Survey of Canada publications, from data supplied by E. F. Creelman, geologist of Jonsmith Mines Limited, and from maps and reports prepared by E. O. Lilge, and members of Jonsmith Mines' staff.

Dated at Toronto, 11th November, 1952.

"L. G. PHELAN."

FINANCIAL STATEMENTS

BALANCE SHEET AS AT OCTOBER 15, 1952

ASSETS

Cash in Bank.....	\$ 6,349.23
Accounts Receivable.....	126.00
Mining Properties.....	128,123.58
Exploration, Development and Administration Charges.....	112,040.91
Incorporation and Organization Expenses.....	2,269.10
	<hr style="border: 0.5px solid black; margin-top: 10px;"/>
	\$248,908.82

NOTE 10,000 shares of Milnet Mines Limited received in consideration for the transfer of portions of claims are included in valuation of mining properties.

LIABILITIES

Accounts Payable and Accrued Expenses.....	\$ 259.50
Capital Stock:	
Authorized—3,500,000 shares of no par value.	
Issued and Fully Paid—per schedule:	
937,765 shares issued for cash.....	\$130,482.72
1,181,666 shares issued for mining properties and claims.....	118,166.60
	<hr style="border: 0.5px solid black; margin-top: 10px;"/>
2,119,431	248,649.32
	<hr style="border: 0.5px solid black; margin-top: 10px;"/>
	\$248,908.82

Approved on behalf of the Board:

"A. B. WHITELAW," Director.
"J. R. STRATTON," Director.

AUDITORS' REPORT

We have examined the books and accounts of Jonsmith Mines Limited for the period January 1, 1952, to October 15, 1952, and have obtained all the information and explanations we have required.

We have not verified the titles to the Company's properties and subject thereto, we report that in our opinion the above Balance Sheet and accompanying statement of Exploration, Development and Administration Charges are properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at October 15, 1952, according to the best of our information, the explanations given to us and as shown by the books.

HILBORN & COMPANY,
Chartered Accountants.

Toronto, Ontario, October 30, 1952.

EXPLORATION, DEVELOPMENT AND ADMINISTRATION CHARGES

January 1, 1952, to October 15, 1952

SURFACE EXPLORATION:

Staking, Recording, Extensions	\$ 23.25
Balance, December 31, 1951.....	74,944.53
	<hr style="border: 0.5px solid black; margin-top: 10px;"/>
	\$ 74,967.78

MINE OFFICE AND SUPERVISION:

Bank Charges.....	\$.15
Balance, December 31, 1951.....	6,722.51
	<hr style="border: 0.5px solid black; margin-top: 10px;"/>
	6,722.66

GENERAL EXPENSES AT THE PROPERTY:

Assaying.....	\$ 41.25
Rentals and Taxes on Mining Claims.....	67.89
	<hr style="border: 0.5px solid black; margin-top: 10px;"/>
	\$ 109.14

Less: Workmen's Compensation over Provision, 1951	72.04
	<hr style="border: 0.5px solid black; margin-top: 10px;"/>
	\$ 37.10

Balance, December 31, 1951.....	12,020.76
	<hr style="border: 0.5px solid black; margin-top: 10px;"/>

12,057.86

HEAD OFFICE AND ADMINISTRATION:

Management, Accounting and Secretarial.....	\$ 1,800.00
Travelling Expenses.....	34.65

Mining Licenses.....	75.00
Postage, Stationery and Supplies.....	4.16

Share Issue Expense.....	189.03
Legal and Audit.....	809.91

Meetings, Reports, etc.....	137.50
General Expense.....	39.50

Balance, December 31, 1951.....	\$ 3,089.75
	<hr style="border: 0.5px solid black; margin-top: 10px;"/>

15,202.86

18,292.61

TOTAL, per Balance Sheet.....	\$112,040.91
	<hr style="border: 0.5px solid black; margin-top: 10px;"/>

\$112,040.91



Digitized by the Internet Archive
in 2025 with funding from
University of Alberta Library

https://archive.org/details/Jons5601_1952

